

## This Just In: EPA's Utility MACT Rule Will Not Cause the Lights to Go Out.

January 19, 2012 by [Seth Jaffe](#)

As readers of [this blog](#) know, the impact of EPA air rules, including in particular the Utility MACT rule, on the reliability of the nation's electric grid has been the subject of much speculation. Last week, the Congressional Research Service weighed in, with the exciting headline: [EPA's Utility MACT: Will the Lights Go Out?](#) Of course, notwithstanding the sexy title, the CRS conclusion can be summarized pretty simply: the MACT rule will not cause the lights to go out. Money quote:

*“although the rule may lead to the retirement or derating of some facilities, almost all of the capacity reductions will occur in areas that have substantial reserve margins. Two areas that may have difficulty meeting reserve margins, Texas and New England, will experience few plant retirements and deratings, according to industry data. Furthermore, to address the reliability concerns expressed by industry, the final rule includes provisions aimed at providing additional time for compliance if it is needed to install pollution controls or add new capacity to ensure reliability in specific areas. As a result, it is unlikely that electric reliability will be harmed by the rule.”*

Absent some surprises, I'm done with the subject. Let me know if the lights go out.

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